



A BILL FOR AN ORDINANCE

PROPOSED

RELATING TO CERTAIN REAL PROPERTY TAX EXEMPTIONS.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to amend the exemption for charitable purposes.

SECTION 2. Section 8-10.10, Revised Ordinances of Honolulu 1990 ("Exemption—Charitable purposes"), is amended by amending subsections (b) and (c) to read as follows:

"(b) This subsection applies to property, or a portion thereof, owned in fee simple, leased or rented for a period of one year or more, by the person using the property for the exempt purposes, hereinafter referred to as the person claiming the exemption. If the property, or a portion thereof, for which exemption is claimed is leased or rented, the lease or rental agreement shall be in force and recorded in the bureau of conveyances or filed in the office of the assistant registrar of the land court.

Exemption is allowed by this subsection to the following property:

- (1) Property used for school purposes including:
 - (A) Kindergartens, grade schools, junior high schools and high schools, which carry on a program of instruction meeting the requirements of the compulsory school attendance law, HRS Section 302A-1132, or which are for preschool children who have attained or will attain the age of five years on or before December 31st of the school year; provided, that any claim for exemption based on any of the foregoing uses shall be accompanied by a certificate issued by or under the authority of the department of education stating that the foregoing requirements are met.
 - (B) Junior colleges or colleges carrying on a general program of instruction of college level. The property exempt from taxation under this paragraph is limited to buildings for educational purposes (including dormitories), housing owned by the school or college and used as residence for personnel employed at the school or college, campus and athletic grounds, and realty used for vocational purposes incident to the school or college.



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- (C) Group child care centers, which meet the child care facilities requirements of HRS Chapter 346, Part VIII; provided, that any claim for exemption based on the foregoing use shall be accompanied by a certificate issued by or under the authority of the department of human services stating that the foregoing requirements are met. As used herein, "group child care centers" means a facility other than a residence, maintained by an individual, organization, or agency for the purpose of providing child care for preschool age children ages two years to six years and infants and toddlers ages six weeks to 36 months.
- (2) Property used for hospital and nursing home purposes, including housing for personnel employed at the hospital; in order to qualify under this paragraph the person claiming the exemption shall present with the claim a certificate issued by or under the authority of the state department of health that the property for which the exemption is claimed consists in, or is a part of, hospital or nursing home facilities which are properly constituted under the law and maintained to serve, and which do serve the public.
- (3) Property used for church purposes, including incidental activities, parsonages and church grounds, the property exempt from taxation being limited to realty exclusive of burying grounds (exemption for which may be claimed under paragraph (4) of this subsection).
- (4) Property used as cemeteries (excluding, however, property used for cremation purposes) maintained by a religious society, or by a corporation, association or trust organized for such purpose.
- [(5) Property dedicated to public use by the owner, which dedication has been accepted by the state or county, reduced to writing, and recorded in the bureau of conveyances; and property which has been set aside for public use and actually used therefor for a period not less than five years.
- (6) Property owned by any nonprofit corporation, admission to membership of which is restricted by the corporate charter to members of a labor union; property owned by any government employees' association or organization, one of the primary purposes of which is to improve employment conditions of its members; property owned by any trust, the beneficiaries of which are restricted to members of a labor union; property



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owned by any association or league of federal credit unions chartered by the United States, the sole purpose of which is to promote the development of federal credit unions in the state.]

[Notwithstanding any provision in this section to the contrary, the exemption shall apply to property or any portion thereof which is leased, rented or otherwise let to another, if such leasing, renting or letting is to a nonprofit association, organization or corporation.]

Notwithstanding any provision in this section to the contrary, the exemption for the following property shall be _____ percent of the assessed value:

- (1) Property owned by any nonprofit corporation, admission to membership of which is restricted by the corporate charter to members of a labor union;
- (2) Property owned by any government employees' association or organization, one of the primary purposes of which is to improve employment conditions of its members;
- (3) Property owned by any trust, the beneficiaries of which are restricted to members of a labor union; and
- (4) Property owned by any association or league of federal credit unions chartered by the United States, the sole purpose of which is to promote the development of federal credit unions in the state.

(c) This subsection shall apply to property owned in fee simple or leased or rented for a period of one year or more, the lease or rental agreement being in force and recorded in the bureau of conveyances at the time the exemption is claimed, by either:

[(1) A corporation, society, association or trust having a charter or other enabling act or governing instrument which contains a provision or has been construed by a court of competent jurisdiction as providing that in the event of dissolution or termination of the corporation, society, association or trust, or other cessation of use of the property for the exempt purpose, the real property shall be applied for another charitable purpose or shall be dedicated to the public, or

(2)](1) A corporation chartered by the United States under Title 36, United States Code, as a patriotic society, or



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[Exemption is allowed by this subsection for property used for charitable purposes which are of a community, character building, social service or educational nature, including museums, libraries, art academies and senior citizen housing facilities qualifying for a loan under the laws of the United States as authorized by Section 202 of the Housing Act of 1959 as amended by the Housing Act of 1961, the Senior Citizens Housing Act of 1962, the Housing Act of 1964 and the Housing and Urban Development Act of 1965.]

- (2) A corporation, society or association qualifying for exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code where the property is used exclusively for charitable purposes which are of a community, character building, social service or educational nature, including museums, libraries, and art academies, or
- (3) Senior citizen housing facilities qualifying for a loan under the laws of the United States as authorized by section 202 of the Housing Act of 1959 as amended by the Housing Act of 1961, the Senior Citizens Housing Act of 1962, the Housing Act of 1964, and the Housing and Urban Development Act of 1965 as amended by the Housing and Urban Development Act of 1970."

SECTION 3. Ordinance material to be repealed is bracketed. New material is underscored. When revising, compiling or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the revisor of ordinances need not include the brackets, the bracketed material or the underscoring.



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SECTION 4. This ordinance shall take effect upon its approval and shall apply to the tax years beginning July 1, 2014 and thereafter.

INTRODUCED BY:

Ernest Martin (br)

DATE OF INTRODUCTION:

July 3, 2013
Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

KIRK CALDWELL, Mayor
City and County of Honolulu